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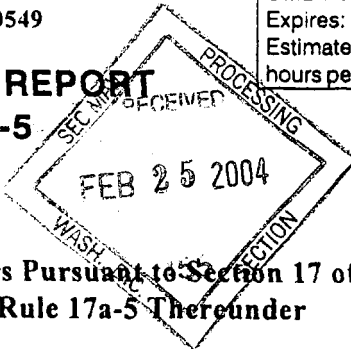
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

VF2-2604

OMB APPROVAL	
OMB Number:	3235-0123
Expires:	October 31, 2004
Estimated average burden	
hours per response.....	12.00

**ANNUAL AUDITED REPORT
FORM X-17A-5
PART III**



SEC FILE NUMBER
8-44696

FACING PAGE

**Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING 01/01/2003 AND ENDING 12/31/2003
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Kadick, Incorporated
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

OFFICIAL USE ONLY
FIRM I.D. NO.

244 East High Street
(No. and Street)
Charlottesville VA 22902
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
Michael Kadick (434) 923-0799
(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Weiser LLP
(Name - if individual, state last, first, middle name)
3000 Marcus Avenue Lake Success NY 11042
(Address) (City) (State) (Zip Code)

CHECK ONE:

- ☒ Certified Public Accountant
- ☐ Public Accountant
- ☐ Accountant not resident in United States or any of its possessions.

PROCESSED
MAR 03 2004

FOR OFFICIAL USE ONLY	THOMSON FINANCIAL
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*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

SEC 1410 (06-02)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

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OATH OR AFFIRMATION

I, Michael Kadick, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Kadick, Incorporated, as of December 31, 20 03, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

Michael Kadick

Signature

President

Title

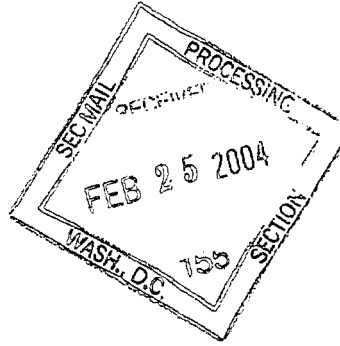
Rebecca S. Vander Heuvel

Notary Public

This report ** contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of ~~Income (Loss)~~ Operations.
- ☒ (d) Statement of ~~Changes in Financial Condition~~ Cash Flow.
- ☒ (e) Statement of Changes in Stockholders' Equity ~~or Partners' or Sole Proprietors' Equity~~.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☒ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☒ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☒ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☒ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.
- ☒ (o) Independent Auditors' Report on Internal Accounting Control.

**For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).



STATEMENT OF FINANCIAL CONDITION

DECEMBER 31, 2003

244 East High Street
Charlottesville, VA 22902
Tel (434) 923-0799
Fax (434) 923-0788

KADICK, INCORPORATED

**STATEMENT OF FINANCIAL CONDITION
DECEMBER 31, 2003**

A S S E T S

Cash	\$ 47,461
Receivable from brokers	62,734
Securities owned, at market value	39,656
Deposit with clearing broker	150,892
Loan receivable, stockholder	11,919
Automobile, net of accumulated depreciation of \$9,768	39,061
Other assets	<u>16,537</u>
	<u>\$ 368,260</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

Liabilities:	
Accrued expenses	\$ 27,418
Payroll taxes payable	24,254
Note payable	<u>39,877</u>
	<u>91,549</u>
Commitment	
Stockholders' equity:	
Common stock, \$.01 par value; 20,000 shares authorized, 2,667 shares issued and outstanding	27
Contributed capital	181,452
Retained earnings	<u>95,232</u>
	<u>276,711</u>
	<u>\$ 368,260</u>

The accompanying notes are an integral part of this financial statement.

KADICK, INCORPORATED

NOTES TO FINANCIAL STATEMENT

1. GENERAL:

Kadick, Incorporated (the "Company"), a registered broker-dealer, is subject to regulation by the Securities and Exchange Commission and is a member of the National Association of Securities Dealers, Inc. The Company's primary business is trading corporate bonds with institutional customers throughout the United States.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Securities Transactions:

Securities transactions and related expenses are recorded on a trade-date basis. Securities owned are valued at quoted market values.

Cash Equivalents:

The Company considers highly liquid investments of less than three months when purchased to be cash equivalents.

Automobile:

Automobile is stated at cost. Depreciation is computed on a straight-line basis, over a 5 year period.

Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes:

The Company elected to be treated as an S Corporation under the provisions of the Internal Revenue Code. Accordingly, the Company itself is not subject to federal income tax. The stockholders are required to report separately their distributive shares of the Company's income or loss to federal tax authorities. In addition, the Company has elected S Corporation status for state tax purposes. The City of Charlottesville, Virginia imposes a local tax based on revenues.

3. SECURITIES OWNED:

Marketable securities consist of the following at fair market value.

Corporate Bonds	\$ 36,691
Equities	<u>2,965</u>
	<u>\$ 39,656</u>

4. LOAN RECEIVABLE - STOCKHOLDER:

The Company has made non-interest bearing, demand loans totaling \$11,919, to a stockholder/officer.

5. OPERATING LEASE:

The Company leases office space in Charlottesville, Virginia, under an operating lease which expires September 30, 2004. Future minimum annual rent payments under the lease for the 9 month period ended September 30, 2004 is \$11,855.

6. NOTE PAYABLE:

On December 31, 2003, the Company entered into a financing arrangement, collateralized by the automobile, totaling \$48,829. Under terms of the interest free note, the Company will make monthly payments of \$814, beginning February 15, 2003 totaling \$9,768 per year for the next 5 years.

7. NET CAPITAL REQUIREMENTS:

The Company is subject to the net capital requirements of rule 15c3-1 of the Securities and Exchange Commission which requires a broker-dealer to have at all times sufficient liquid assets to cover current indebtedness. In accordance with the rule, the Company is required to maintain defined minimum net capital of the greater of \$100,000 or 1/15 of aggregate indebtedness. At no time may the ratio of aggregate indebtedness, as defined, to net capital exceed 15 to 1.

At December 31, 2003, the Company has net capital, as defined, of \$198,516 which is \$98,516 in excess of its required net capital of \$100,000. The Company has aggregate indebtedness of \$91,549. The Company's ratio of aggregate indebtedness to net capital is .46 to 1 at December 31, 2003.

8. OFF-BALANCE-SHEET RISK:

The Company utilizes the services of a clearing broker for the settlement of proprietary and customer transactions. All customers' money balances and security positions (long and short) are carried on the books of the clearing broker. These activities may expose the Company to off-balance-sheet credit risk in the event that the clearing broker or the customer is unable to fulfill their obligations.

The Company may, from time to time, have cash in excess of FDIC insured limits and is exposed to the credit risk resulting from this concentration of cash.

The Company's Statement of Financial Condition as of December 31, 2003 is available for examination at the office of the Company and at the Regional Office of the Securities and Exchange Commission.

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Kadick, Incorporated

We have audited the accompanying statement of financial condition of Kadick, Incorporated (the "Company") as of December 31, 2003, that you are filing pursuant to rule 17a-5 under the Securities Exchange Act of 1934. This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position of Kadick, Incorporated at December 31, 2003, in conformity with accounting principles generally accepted in the United States of America.


CERTIFIED PUBLIC ACCOUNTANTS

Lake Success, N.Y.
February 5, 2004